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13 Aug 1958 CORONA TS-155106 RMB/to DCI Subj: Identification of Special Projects

This name covers all aspects of the program for the launching of 12 reconnaissance satellites which will take photogra phy during their overflights of the Soviet Bloc and contain provisions for storage of exposed film in a capsule which will re-enter, drop in a preselected ocean impact area, and be recovered. This project was approved at the highest level and released from Agency Reserve, wa obligated in FY 1958, almost all for prime contract to LMSD. Although the total contained some reserve over the then available estimate of the Agency's share of the costs of the program, it now appears that there widl be some overrun. Moreover, ARPA is in grave trouble with its biomedical program and there is a real possibility that the Agency will have to pick up certain costs which were originally planned to be charged to the biomedical program. Finally, the Agency will probably incur some operational costs, for which no firm estimate is yet available.

The above may help clarify why such large costs for above projects have materialized in last few months, well after the budget for FY 1959 was presented to Congress

...if COR is to be carried through, there is little room for maneuver in the reduction of costs.

15 Aug TS 155107 RMB to DDCI

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....COR Financing. Under date of 8 Aug 58 I sent to Gen Goodpaster a paper setting forth prevised estimates of cost of COR. Theepaper was an outgrowth of a meeting in Dr. Killian's office which I was asked to attend which included Dep Secty Quarles, the Dir of the Budget, and Gen Goodpaster. Hope you will receive word from Gpaster that the revised estimates (though perhaps regrettably large) have been a noted and the approval of the Project stands. Shld you have to becom, e involved in discussion of this matter, suggest you read paper I sent Gpaster and have Kiefer or Burke brief you.

NRO review(s) completed.

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